

## **Historic, Archive Document**

Do not assume content reflects current  
scientific knowledge, policies, or practices.





RELEASE

United States  
Department of  
Agriculture  
Foreign  
Agricultural  
Service  
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 4-80

WASHINGTON, June 11--The Foreign Agricultural Service of the U.S. Department of Agriculture today issued the following report of recent developments in world agriculture and trade:

GRAIN AND FEED

The EUROPEAN COMMUNITY (EC) Council of Agricultural Ministers reached a tentative agreement at the end of May on the level of agricultural price increases for the 1980/81 marketing year. The agreement was based on the understanding that the price package would be automatically adopted upon resolution by the Council of Foreign Ministers of the overall budget problem with the United Kingdom (U.K.)

Consultation on the new set of prices has been in progress for many weeks, primarily because of the United Kingdom's refusal to approve any price increases until its contribution to the EC budget was reduced. A solution to the British problem appears to have been reached, thereby clearing the way for final agreement on the price issue.

Price increments were approved this week in principle by France, West Germany and Great Britain, pending final consultations in the member countries. The 1980/81 EC grain target and intervention prices are as follows in European Currency Units (ECU) per ton, with the percentage change from 1979/80 in parentheses. (As of June 6, one ECU equaled US\$1.41887).

	<u>Target Price</u>	<u>US\$ Equivalent</u>	<u>Intervention Price</u>	<u>US\$ Equivalent</u>
Durum	294.71 (+6.3)	418.16	260.33 (+4.5)	369.37
Soft wheat	214.01 (+6.3)	303.65	155.88 (+4.5)	221.17
Barley	194.32 (+6.3)	275.71	155.88 (+4.5)	221.17
Rye	197.31 (+2.5)	279.96	163.82 (+2.5)	232.44
Corn	194.32 (+6.3)	275.71	155.88 (+4.5)	221.17
Rice	408.56 (+6.4)	579.69	233.96 (+7.0)	331.96

Excluding rice, target prices have been boosted by an average of 5.5 percent, while the intervention prices are up by only 4.1 percent. The target price effectively determines the price at which imported goods are sold. The intervention price is the level at which intervention agencies must purchase commodities offered to them. As a result of the disproportionate increase in the 1980/81 target over intervention prices, the EC has effectively increased the level of protection afforded its producers.

\*\*\*\*\*

MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Bulk copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250.



The PHILIPPINES has announced a major shift in its rice policy, according to the U.S. agricultural attache in Manila. The objective is to increase rice production during the next ten years by as much as three times the current outturn of about 4.4 million tons (milled basis). This is expected to generate foreign exchange earnings by promoting rice exports.

Rainfed and upland rice areas will now be devoted to feed grain production, while regular rice production will be concentrated on some 1.7 million hectares of fully irrigated lands. This is the first time the government has announced officially that it is more profitable to grow corn, sorghum, and soybeans on rainfed and upland rice areas. Over 500,000 farmers, tilling about 400,000 hectares of upland and rainfed areas will be affected by the production shift.

The new production policy is another step in the implementation of the government's rice "self-sufficiency" program (Masagana 99), which could have long-run trade implications on the rice export program. As it now stands, the rice program has resulted in excess supplies, requiring a government export subsidy. Malaysia and Indonesia have been the major markets, with Brazil and West Africa taking minor amounts. If production objectives are achieved, however, Philippine rice exports, which totaled some 215,000 tons during 1979, could be expected to increase.

#### DAIRY, LIVESTOCK AND POULTRY

Meat produced by SOVIET state-owned plants during the first four months of 1980 totaled 2.7 million tons, 3 percent above the same period of 1979. This production figure is the amount of meat obtained from animals procured from both the socialized and private sectors, and should not be confused with monthly Soviet numbers for live-weight meat production on socialized farms.

Butter production during the first four months of 1980 by Soviet state-owned plants was 288,000 tons, 9 percent below the January-April 1979 level. Last year, state-owned plants accounted for 94 percent of total butter production.

#### HORTICULTURAL AND TROPICAL PRODUCTS

In MEXICO, half the total fruit output in the states of Chihuahua and Durango is expected to have been adversely affected by frosts in mid-April. Apple production could be reduced as much as 40 percent from the normal level of approximately 9 to 5.5 million boxes (42 lb. ea). Peaches, quinces, pears, grapes and tree nuts also sustained damage, but to a lesser extent.

\*\*\*\*\*

In BRAZIL, the 1980 Sao Paulo orange crop is estimated to be about 170 million boxes (90 lb. ea.) or 6.9 million tons, according to the agricultural officer in Sao Paulo. This estimate of the Sao Paulo crop, which accounts for about 80 percent of Brazil's total orange production and almost all of the oranges used for processing, is 13 percent above last year's record high crop. Trade sources, however, are not in agreement about the crop size. Estimates vary from 155 to 195 million boxes.

- more -



During 1979, Sao Paulo processors used 119 million boxes from the state's 151-million-box orange harvest. Production of frozen concentrate orange juice (FCOJ) was 405,000 tons, 65 degrees brix (equivalent to 129 million gallons, 45 degrees brix). Exports, however, fell far short of this and processors have carryover stocks of 40,000 to 100,000 tons of FCOJ (equivalent to 13 to 32 million gallons, 45 degrees brix).

As of the first week of June, citrus growers and processors had not agreed upon prices for the 1980 crop oranges, nor had processors agreed upon a disposal plan for FCOJ stocks. In an effort to force a compromise, the government suspended export sales registrations for FCOJ on May 16. This action, apparently, is an effort to ensure harvesting of all the orange crop and to maintain current FCOJ export prices. The result could be government-imposed export quotas for the various Brazilian processors and growing stocks.

#### TOBACCO

During the eighth week of ZIMBABWE's 1980 tobacco auction, prices dropped below the corresponding week in 1979 for the first time this year. At the beginning of this season, prices were averaging about 30 percent above a year earlier. The average price for the eighth week was 109.73 U.S. cents per kilogram, compared with 110.09 U.S. cents per kilogram for the same week in 1979. The percentage of leaf grades offered at the auction increased from 10 percent in week seven to 26 percent in week eight, indicating that higher quality tobacco is being auctioned.

\*\*\*\*\*

BULGARIA and IRAN reportedly have reached an agreement under which Bulgaria will produce an American-type blended cigarette for sale in Iran. The unconfirmed report indicated that the cigarette is intended to replace a popular brand previously imported from the United States. A vice president of Bulgar Tobac has been assigned to Tehran as commercial attache to help implement the agreement. Indications are that the Bulgarians are looking for 900 tons of flue-cured and 500 tons of burley leaf tobacco of non-U.S. origin to begin production of the cigarettes.

#### NEW RELEASES

##### Foreign Agriculture Circulars:

World Supply and Demand Summary for Grains, Soybeans, and Cotton (WSD 1-80).

U.S. Customs Service Data on Meat Imports--April 1980 (FLM MT 9-80).

U.S. Exports and Imports of Oilseeds and Products Climbed in March (FOP 11-80).

U.S. Pulse Exports, 1967/68-1978/79 (FDP 1-80).

TO ORDER releases, write: U.S. Department of Agriculture, FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250.

- more -



INTERNATIONAL WEATHER AND CROP SUMMARY, JUNE 2-8

EUROPE--Fair weather over much of Western Europe favored winter grain harvest in the Iberian Peninsula. England, however, could have used more moisture, as last week's rains did not alleviate stressed crops. Toward the end of the week, showers in northern Italy, continued to make fields too wet for maturing winter grains. Generally above-normal rainfall fell over most of Eastern Europe. The persistence of cool, wet weather in the southwest delayed development of row crops and hindered field work, but more-northerly areas probably benefited from this second week of above-normal rainfall.

WESTERN USSR--Much of the Ukraine and Black Soils Region received more than 50 mm of rainfall--three to four times normal--undoubtedly leaving water standing in fields, which may reduce yields. The rainy weather lowered temperatures slightly in the Ukraine, delaying crop development still further. Part of the central Ukraine was drenched by more than 100 mm. Lighter rains in the North Caucasus and the lower Volga Valley maintained good soil moisture, but much of the middle and upper Volga Valley received only light rain, and conditions stayed too dry for normal spring grain growth.

Most of the eastern half of the New Lands recorded rainfall well above normal, which was especially beneficial to dry fields in the vicinity of Barnaul and Novosibirsk. Soils should be adequately moist for germination and initial growth of newly sown spring grains. Conditions generally have improved in the area but dry pockets persist, notably near Pavlodar.

EASTERN ASIA--Across northern China, much-above-normal rains of 30 to 60 mm fell over extensive areas from Shandong Province northward. The moisture benefited spring wheat and soybeans in the Manchurian Valley, but the prolonged dampness in the winter wheat belt caused more problems for the mature crop. Southern portions of the belt had good harvest weather. Much of the rice-growing region of the south reported above-normal rainfall again, keeping streams close to the flood stage.

SOUTHERN ASIA--The monsoon pushed further to the northwest on schedule, and dropped above-normal rains in excess of 50 mm over much of central India. Transplanting of rice should now be in progress, and the monsoon appears to be maintaining itself. Areas which received lighter rainfall (less than 10 mm) in the east and south had received generous amounts last week, and soils remained quite adequately moist.

SOUTHEAST ASIA--Moderate to heavy shower activity continued in Thailand as the monsoon rainy season settled in. Rice, maize and sugar crops should benefit from this moisture. Water levels in reservoirs in the central plains however, are still low.

NORTHWESTERN AFRICA--Fair weather persisted in all areas as winter grain harvesting was completed. (Weekly coverage of this region will be discontinued until autumn rains begin in September.)

AUSTRALIA--Rainfall remained light in the east, but exceeded 20 mm over most of the winter grain areas in West and South Australia. This moisture improved conditions for planting in West Australia, although dry pockets persist. Relatively dry weather prevailed throughout the croplands of New South Wales and Victoria, but soil moisture conditions should be adequate for the present.

SOUTH AMERICA--Favorable conditions prevailed for late harvesting of soybeans in Argentina. Generally light precipitation throughout the major winter grains areas of Brazil and Argentina continued to provide favorable soil moisture. In Brazil's coffee growing area, temperatures dropped close to freezing early in the week, but moderated by week's end without causing damage.

MEXICO--Showers fell over croplands in the western sections of the southern and western plateau, aiding depleted reservoirs and dry croplands. Corn and beans should benefit from this moisture. The citrus belt was sunny and hot--soil moisture was short in some non-irrigated northern orchards but adequate elsewhere. Severe drought continued over the northwest; however, a few showers gave slight relief in the west central mountains.

CANADA--Moisture conditions for crop growth remained good in Alberta. However, conditions are less favorable in Saskatchewan and Manitoba where only isolated thunderstorm activity occurred. Late in the week, a surge of cold air through Saskatchewan brought freezing temperatures to the southern part of the province, raising the possibility of recurrent damage to rapeseed. However, the cool temperatures may have helped reduce moisture stress for spring grains.



Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain, soybeans and tapioca, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	June 10, 1980		Change from previous week	A year ago
	Dollars per metric ton	Dollars per bu.	Cents per bu.	Dollars per metric ton
<b>Wheat:</b>				
Canadian No. 1 CWRS-12.5%..	1/	1/	1/	1/
U.S. No. 2 DNS/NS: 14%.....	193.00	5.25	+1	183.00
U.S. No. 2 DHW/HW:13.5%.....	199.00	5.42	-4	187.00
U.S. No. 2 S.R.W.....	175.00	4.76	-6	184.00
U.S. No. 3 H.A.D.....	243.00	6.61	+11	192.00
Canadian No. 1 A: Durum.....	265.50	7.23	+13	199.00
<b>Feedgrains:</b>				
U.S. No. 3 Yellow Corn.....	138.50	3.52	+6	136.50
U.S. No. 2 Sorghum <u>2/</u> .....	148.00	3.76	0	126.00
Feed Barley <u>3/</u> .....	145.75	3.17	-7	124.50
Thailand Tapioca.....	182.00	--	+6.00 <u>5/</u>	--
<b>Soybeans:</b>				
U.S. No. 2 Yellow.....	259.00	7.05	+5	312.25
Argentine <u>4/</u> .....	251.50	6.85	+2	304.75
U.S. 44% Soybean Meal (M.T.)	217.00	--	-1.50 <u>5/</u>	253.50
<b>EC Import Levies</b>				
Soft Wheat.....	137.05	3.73	+12	119.15
Corn.....	140.15	3.56	-2	115.30
Sorghum.....	129.45	3.29	-1	126.00
Barley.....	123.30	2.68	+4	126.60

1/ Not available

2/ Optional delivery: U.S. or Argentine Granifero Sorghum

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil Yellow

5/ Dollars per metric ton

NOTE: Basis July delivery





**U.S. DEPARTMENT OF AGRICULTURE**

**WASHINGTON, D.C. 20250**

**OFFICIAL BUSINESS**

**Penalty for Private Use, \$300**



**POSTAGE & FEES PAID**  
**United States Department of Agriculture**  
**AGR 101**